



Insurance and Real Estate Committee

PUBLIC HEARING AGENDA

Tuesday, February 21, 2023

Connecticut Association of Health Plans

Testimony in Support of

S.B. No. 983 (COMM) AN ACT LIMITING ANTICOMPETITIVE HEALTH CARE PRACTICES.

H.B. No. 6620 (RAISED) AN ACT PROMOTING COMPETITION IN CONTRACTS BETWEEN HEALTH CARRIERS AND HEALTH CARE PROVIDERS.

The Connecticut Association of Health Plans urges support for the provisions included in S.B. 983 and H.B. 6620 and commends the Governor and the Committee, both, for recognizing and addressing the major cost drivers in health care.

Prohibiting hospital health systems from requiring that health plans enter into “all or nothing” contracts that require the inclusion of all facilities within one system to be included under a single agreement helps foster an endangered competitive market in Connecticut by incentivizing organizations within organizations to compete on the basis of cost and quality.

Likewise, the provisions of the proposal that prohibit anti-steering and anti-tiering clauses underscore the value that can be derived by aligning financial incentives around both cost of care and quality metrics.

Value based contracting is a cornerstone of current carrier initiatives to drive a new vision in the delivery of health care that centers on whole-person health and quality outcomes instead of volume of care delivered. Such practices provide for more comprehensive services and interaction among carriers, hospital systems, providers, and patients.

The National Academy for State Health Policy (NASHP), a nonpartisan forum of policymakers that formulates innovative solutions to health policy challenges, states that, “This model legislation prohibits anticompetitive contract clauses that dominant health care systems may demand in contracts with health insurers to increase prices and thwart cost-containment efforts.”

Through the good work done by the Department of Insurance and the Office of Health Strategies on analysis of rates and cost growth benchmarking, we know that hospital costs must be addressed. This legislation takes an important first step in that direction.

As Connecticut’s market becomes more and more concentrated under just a few umbrella health systems, appropriate safeguards are warranted to assure no one party is unduly advantaged over another.

Likewise, we appreciate the focus S.B. 983 puts on out-of-network services and the impact such services have on both consumers and payers. By establishing a Medicare reference baseline for out-of-network

reimbursement, the proposal incentivizes providers to go in-network, an important element in a concentrated market, and more importantly the proposal offers consumers protection from surprise bills.

We do question, however, why the Partnership plan would be exempted from the provisions of H.B. 6620 in lines 120-123 and note that Connecticut law already prohibits most-favored-nation clauses in line 88 by virtue of PA 11-132.

As always we need to be mindful of any unintended consequences, but both bills speak to specific needs within the current delivery system and warrant passage.

We urge support of S.B. 983 and H.B. 6620.